

Key Ideas

Chapter 8: Additional Appropriations



In this section, we will discuss the following:

- *The additional appropriation process.*
- *The publication requirements for filing an additional appropriation.*
- *How to complete the certified copy of additional appropriation.*
- *How to transfer appropriations.*
- *How to obtain reconsideration of action on an additional appropriation.*

ADDITIONAL APROPRIATIONS

The additional appropriation process is used to appropriate money in excess of the established current year budget. The following outlines the provisions for pursuing an additional appropriation.

The fiscal body of a library must act on all additional appropriations. Approval by the Department of Local Government Finance (DLGF) is limited to cash funds that receive revenue from property taxes levied under IC 6-1.1-18-5. Additional appropriations from the Rainy Day Fund and LIRF also require approval from the DLGF. State grant monies, such as Build Indiana grants, that are not required to be paid back and that are itemized and earmarked for particular expenditures do not necessarily need to be appropriated by the taxing unit in order to make such expenditures. The determination is under the assumption that the taxing unit receives the money up front and it is receipted into a separate fund and is not a reimbursement to a previously established fund that requires an appropriation. Grant monies must be expended in accordance with the grant budget.

Other additional appropriations (including those made from the proceeds of bonds and loans) must only be reported (*Reporting Only funds*) to the Department of Local Government Finance (DLGF). The DLGF will only acknowledge the receipt of information for funds that are designated as “Reporting Only”. In this process, there is a heavy reliance upon individual fiscal officers to provide the DLGF with accurate information.

The following steps should be followed when obtaining additional appropriations (authority to expend funds) that were not included in the annual budget.

STEP 1:

If the proper officers of a library desire to appropriate more money for a particular year than the amount prescribed in the budget for that year as finally determined by the DLGF budget order, they shall give notice of their proposed additional appropriation. The notice shall state the time and place at which a public hearing will be held on the proposal. The notice shall be given **once** in accordance with IC 5-3-1-2(b) for a public hearing on the proposal.

Publication requirements have not changed in terms of the number of newspapers to be used or the number of insertions. **Legal notices for additional appropriations, whether or not they require approval of the Department of Local Government Finance (“Reporting Only” funds), must be published one (1) time in accordance with IC 5-3-1-4, not less than ten (10) days before the public hearing on the proposal.** (Do not count the day of the public hearing.) Political affiliation of the newspaper is no longer associated with legal publication.

Ex: Public hearing is to be held on June 20. The notice for the additional appropriation must be published no later than June 10. Note: Ten days between June 10 and June 20. If you have a weekly newspaper in your library district, you are still required to publish in a timely manner.

A qualified publication as defined in IC 5-3-1-0.7 is as follows:

“(a) As used in this chapter, "qualified publication" means a publication that:

- 1) is published daily, weekly, semiweekly, or tri-weekly;
- 2) is of general circulation to the public;
- 3) has been published for at least three (3) consecutive years in the same city or town;
- 4) has continuity as to title and general nature of content from issue to issue;
- 5) contains news of general or community interest, community notices, or editorial comment;
- 6) contains advertisements from unrelated advertisers in each issue;
- 7) has, in more than one half (1/2) of its issues published during the previous twelve month period, not more than seventy five percent (75%) advertising content;
- 8) has a known office location in the county which it is published; and
- 9) has been entered, authorized, and accepted by the United States Postal Service as mailable matter of requester second class or of the third class (as defined in 39 U.S.C. 3623) for the time published.”

I.C. 5-3-1-4 covers the guidelines for publication requirements for all political subdivisions. A brief summary of requirements follows:

Library - IC 5-3-1-4(a) reads, “Whenever officers of a political subdivision are required to publish a notice affecting the political subdivision, they shall publish the notice in two (2) newspapers published in the political subdivision.”

- (1) IC 5-3-1-4(d) reads, “This subsection applied to notices published by officers of political subdivisions not covered by subsection (a) or (b), including township officers. If there is only one (1) newspaper published in the political subdivision, then the notice shall be published in that newspaper and if another newspaper is published in the county and circulates within the political subdivision in the other newspaper. If no newspaper is published in the political subdivision, then publication shall be made in a newspaper published in the county and that circulates within the political subdivision.”
- (2) IC 5-3-1-4(f) reads, “A political subdivision may, in its discretion, publish public notices in a qualified publication or additional newspapers to provide supplementary notification to the public. The cost of publishing supplementary notification is a proper expenditure of the political subdivision.

CROSS COUNTY LIBRARIES

If a political subdivision has territory in more than one county:

- (1) publish in **two** newspapers within boundaries of the political subdivision.
- (2) **if there is only one** newspaper published within the boundaries of the political subdivision, then publish in that paper and in any other newspaper that:
 - a) is published in the county in which the subdivision extends
 - b) has a general circulation in the political subdivision.
- (3) **if no** newspaper is published within the political subdivision's boundaries, then publish in two newspapers that:
 - a) are published in a county in which the political subdivision extends:
 - b) has a general circulation in the political subdivision.
- (4) **if only one** newspaper is published in any of the counties in which the subdivision extends, then publish in that newspaper if it circulates within the political subdivision.

*****Qualified publications must circulate to not less than ten percent of the population of the county in which the qualified publication is published. *****

(A sample Notice to Taxpayers and Proof of Posting are included at the end of this chapter.)

STEP 2:

The proper officers of the library shall hold the public hearing on the proposal as advertised. At the public hearing, action shall be taken to approve, reduce, or disapprove the additional appropriation as advertised. If the Board tables the request until the following month, the additional appropriation does not have to be re-advertised. The tabling of the request must be stated publicly and included in the minutes of the meeting. The library board should not adopt appropriations exceeding the amount advertised.

(A sample resolution/ordinance is included at the end of this chapter.)

STEP 3:

After approval at the public hearing, the proper officers of the library shall file a Certified Copy of their final proposal and any other relevant information with the Department of Local Government Finance. Information to complete this form is pulled from the Department of Local Government Finance 16-line statement provided at the fall budget hearing. Line items are identified for ease in determining the appropriate figures.

As the final step for additional appropriations that are “reporting only” the fiscal officer of the library, shall report the additional appropriation to the Department of Local Government Finance in the form of a Certified Copy. (DLGF approval is not required.)

The DLGF will rely on the Certified Copy of Additional Appropriations as verification by the library's fiscal officer that these events (notice published, meeting held, and resolution passed) have occurred. **The DLGF order approving additional appropriations is conditioned upon accuracy of the Certified Copy and the financial information provided.**

How to Complete the Certified Copy of Additional Appropriation Form:

Completion of the form is required to provide the Department of Local Government Finance with a financial worksheet to determine if the appropriate funds are available to support the library's additional appropriation request. If funds are not available to support the entire request, the request will be reduced by the difference between the amount requested and the amount available.

County name: Insert the name of the county in which the library is located.

Unit name: Insert the library name

Date of publication: This is to provide the Department of Local Government Finance with the dates the fiscal officer published notice of the additional appropriation. Recall that the additional appropriation must be advertised in two newspapers if two are available. The dates should be pulled from the newspaper publisher's affidavit.

Newspaper: Provide the name of the publisher of the newspaper advertisement for the additional appropriation. If only one newspaper is used, write not applicable in the second line.

Public Hearing: This is the date of the public hearing on the additional appropriation.

Resolution Date: This is the date the fiscal body passed the resolution approving the additional appropriation. The resolution date cannot be before the date of the public hearing.

Fund Number: This should come from your 16-line statement. Common fund numbers for a library are: 0101 General Fund, 0180 Debt Service Fund and, 2011 Library Improvement Reserve Fund.

Fund Name: Refer to the fund number section for the appropriate fund names.

Appropriation request: This should reflect the amount approved by the library board at the additional appropriation hearing.

Amount by reduction: If the library director is reducing a line item within a particular fund, then that is considered a reduction. The amount reduced by the library board is

inserted on this line.

Amount by surplus: This is the appropriation request minus the amount by reduction.

Line 1: Property tax levy. This reflects line 16 from the 16-line statement provided by the Department of Local Government Finance at the fall hearing.

Line 2: Levy excess applied. This reflects line 15 of the 16-line statement provided by the Department of Local Government Finance at the fall hearing.

Line 3: PTRC from CAGIT (Line 13). This reflects line 13 of the 16-line statement provided by the Department of Local Government Finance at the fall hearing. If you are a CAGIT county, this line should have an amount placed on it. If your county is non-adopting or COIT, this line would be zero.

Line 4: Miscellaneous Revenue estimate (Line 8B). This is line 8B on the 16-line statement provided by the Department of Local Government Finance at the fall budget hearing. If you are increasing the amount above what was determined at the budget hearing, a revised Form 2, Estimate of Miscellaneous Revenue, must be attached to the Certified Copy of Additional Appropriation supporting the increase requested. If no revised Form 2 is received, your request will be based upon the original miscellaneous revenue form determined by the Department of Local Government Finance.

Line 5: January 1 Cash balance, including investments. This is the cash balance in the appropriate fund as of January 1 of the current year. This figure is from the library ledger book.

Line 6: Total funds available. Simply add the first five lines on the worksheet. This represents total funds available before any appropriations are deducted for this fund.

Line 7: Original Budget. This is line 1 of the 16-line statement provided by the Department of Local Government Finance at the fall budget hearing.

Line 8: Encumbered appropriations. This amount would be any prior year carryovers that were done for a particular fund. An example: \$5,000 in capital outlays was encumbered for a copier that will not be paid for until the current year. The original appropriation was in place the prior year but the funds were not spent.

Line 9: Total beginning appropriations. Simply add lines 7 and 8. This represents the amount of funds already committed for this fund.

Line 10: Surplus funds (6-9). This represents line 6 of this worksheet minus line 9. These are the funds available at the beginning of the year.

Line 11: Amount appropriated since January 1st less any reductions in appropriations. This represents any additional appropriations done in excess of the

budget during the current calendar year. It does not include the current year budget.

Line 12: Amount transferred to the Rainy Day Fund. This represents the amount of funds transferred to the rainy day fund from this fund in the current budget year.

Line 13: Surplus funds remaining (10-11-12). This represents the total amount of uncommitted funds available for appropriation. If the amount on this line exceeds the amount requested, it is likely the additional appropriation will be approved if proper procedure has been followed. If the amount on this line is less than the amount requested, the appropriation approved will be the difference between the two figures.

The bottom of the Certified Copy of Additional Appropriation must be completed to reflect the fiscal officer's certification of the information contained within the worksheet. The form is forwarded to the Department of Local Government Finance for consideration. It is mailed directly to Department of Local Government Finance, Budget Division, 100 North Senate Avenue, Room N1058B, Indianapolis IN 46204.

STEP 4:

When the Department of Local Government Finance receives a Certified Copy for a proposed additional appropriation from funds requiring approval, the DLGF shall determine whether sufficient funds are available during the calendar year for the proposal. The DLGF shall issue a written determination within 15 days of receipt of the proposal. The DLGF shall limit the amount of the additional appropriation approval to revenues available, or to be made available, that have not been previously appropriated. The Certified Copy shall include the January 1 cash balance (including investments) and appropriations encumbered from the prior year(s). The fiscal officer to the Department of Local Government Finance certifies the accuracy of these figures.

If an appropriation is to be funded with income in excess of revenue estimates made at the time of the annual DLGF budget hearing, then information supporting such additional revenue must be provided at the time of submission. If revenue is available from carry-over cash that is not encumbered from the previous year or the current budget, supportive evidence is not necessary. Increased miscellaneous revenue must be shown by completing a revised Budget Form 2 (Estimate of Miscellaneous Revenues) detailing the increase. **If a Form 2 is not completed, the miscellaneous receipts will not be revised and the proposal will be denied for the amounts that cannot be funded.**

***** If information filed is incomplete, the Department of Local Government Finance will return the Certified Copy to the taxing unit. *****

STEP 5:

If the Department of Local Government Finance disapproves an additional appropriation, the reason for disapproval shall be specified on the written determination sent to the library.

STEP 6:

If the Department of Local Government Finance denies an additional appropriation and the fiscal officer believes the denial is in error, the fiscal officer may appeal to the Department of Local Government Finance for reconsideration. A request for reconsideration must:

- Be filed with the Department of Local Government Finance within fifteen (15) days of the receipt of the determination by the library; and
- State specifically the reason for the request for reconsideration.
- There is no form for the request for reconsideration. A letter accompanied with the relevant information will be considered.

Upon receipt of a request for reconsideration, the Department of Local Government Finance must act on the request within fifteen (15) days of receipt.

STEP 7:

The Certified Copy of Additional Appropriations and any revised Form 2's must be sent to:

**DEPARTMENT OF LOCAL GOVERNMENT FINANCE
BUDGET DIVISION
100 N SENATE AVE., ROOM N1058B
INDIANAPOLIS IN 46204**

SUMMARY OF ADDITIONAL APPROPRIATION PROCEDURES:

1. Notice to Taxpayers is published in accordance with IC 5-3-1-4 ten (10) days before the public meeting.
2. Public meeting is held on the date and time as advertised. Resolution/Ordinance is passed.
3. Appropriations requiring DLGF approval must be certified and are reviewed by the DLGF to insure that funds are available.
4. For funds that do not require approval (“reporting only”), the unit must report the fund and amount appropriated to the Department of Local Government Finance. The DLGF will only acknowledge the receipt of information for funds that are designated as “Reporting Only”.
5. The Department of Local Government Finance (DLGF) issues a written determination on appropriations requiring approval within fifteen (15) days of receipt. The deadline to submit additional appropriation requests to the DLGF is **December 15**. Appropriations are available for use once the DLGF approval is received.
6. If appropriations are denied, the unit may request within fifteen (15) days specific reconsideration of determination by the Department of Local Government Finance (DLGF).
7. The Department of Local Government Finance (DLGF) will respond to reconsideration request within 15 days of receipt.

ENTRIES ON THE CERTIFIED COPY AND APPROPRIATIONS REQUEST SHOULD BE TO THE NEAREST DOLLAR. DO NOT USE CENTS.

The Library Director or Treasurer may certify the Certified Copy as the fiscal officer.

TRANSFER OF APPROPRIATIONS

The transfer process allows for movement of appropriations between categories. This process differs from an additional appropriation because transfer requests do not increase the amount budgeted in a particular fund by merely shifts the use of the funds between line items.

IC 6-1.1-18-6 reads:

- a) The proper officers of a political subdivision may transfer money from one major budget classification to another within a department or office if:
 - (1) they determine that the transfer is necessary;
 - (2) the transfer does not require expenditure of more money than the total amount set out in the budget as finally determined under this article;
 - (3) the transfer is made at a regular public meeting and by proper ordinance/resolution; and
 - (4) the transfer is certified to the county auditor.
- b) A transfer may be made under this section without notice and without the approval of the Department of Local Government Finance.

(Note: It is not necessary to file documentation with the DLGF on transfers from one major budget classification to another within a department.)

TRANSFER OF FUNDS TO THE RAINY DAY FUND

Pursuant to IC 36-1-8-5.1:

- a) A political subdivision may establish a rainy day fund to receive transfers of unused and unencumbered funds.
- b) The rainy day fund is subject to the same appropriation process as other funds that receive tax money. Before making an appropriation from the rainy day fund, the fiscal body shall make a finding that the proposed use of the rainy day fund is consistent with the intent of the original fund.
- c) In any fiscal year, a political subdivision may transfer not more than ten percent (10%) of the political subdivision's total budget for that fiscal year to the rainy day fund.
- d) The Department of Local Government Finance may not reduce the actual or maximum permissible levy of a political subdivision as a result of a balance in the rainy day fund of the political subdivision.

Transfers to the Rainy Day Fund must be reported to the Department of Local Government Finance (DLGF). Units must submit to the DLGF the resolution/ordinance from the fiscal body approving the transfer. The resolution/ordinance must include the name of each fund and the amount being transferred out of each fund to the Rainy Day Fund.

ADMINISTRATIVE NOTES

1. Questions regarding Additional Appropriations should be directed to the attention of Pam Eustace at (317) 232-3758
2. Additional Appropriations to be approved by the Department of Local Government Finance will not be accepted after **December 15** of any year. Units may submit “Reporting Only” appropriations until December 31 of any year.
3. The Certified Copy of Additional Appropriations utilizes the computer generated Budget Form 4B (16 line statement), Budget Form 4 (approved appropriations) and Budget Form 2 (miscellaneous revenues) which is provided each unit upon review by the hearing officer during the fall budget certification process. Lines 1, 2, 3, 4 and 7 rely on this information.
4. When increasing miscellaneous revenues for Line 4 of the Certified Copy, only show increases in Column B of the form. Column B must be fully completed and totaled. Be sure to include the form when forwarding the additional appropriation to the DLGF.
5. Encumbrances that are certified on Line 8 of the certified copy are approved appropriations carried forward from a prior year supported by a sufficient cash balance for that year and the appropriation could be evidenced by a contract or purchase order. Appropriations carried forward (encumbrances) should be approved by the unit’s fiscal body prior to start of the year to which carried forward.
6. The Certified Copy of Additional Appropriations (sample on last page of memo and page 69 of this manual) must be signed and submitted to the DLGF.
7. Outstanding loans reduce the amount of funds available for appropriation. The amount of these loans may either be added to encumbrances or subtracted from the January 1st cash balance. Please indicate with a foot note on the Certified Copy of Additional Appropriation form the amount of the outstanding loan.

**SAMPLE
NOTICE TO TAXPAYERS OF ADDITIONAL APPROPRIATIONS**

Notice is hereby given the taxpayers of _____, _____ County,

Indiana that the proper legal officers, at their regular meeting place at

_____, at _____ o'clock _____ a.m./p.m., on the
(location)

_____ day of _____, 20____, will consider the following additional

appropriation in excess of the budget for the current year.

| (Name of Fund) | Amount |
|------------------------------|----------|
| Fund Name: | |
| Major Budget Classification: | |
| Personnel | \$ _____ |
| Supplies | \$ _____ |
| Other | \$ _____ |
| Capital Outlays | \$ _____ |
| TOTAL for _____ Fund: | \$ _____ |
| (Repeat for any other funds) | |

Taxpayers appearing at the meeting shall have a right to be heard. The additional appropriations as finally made will be referred to the Department of Local Government Finance. The Department of Local Government Finance will make a written determination as to the sufficiency of funds to support the appropriations made within fifteen (15) days of receipt of a Certified Copy of the action taken.

NOTE: DO NOT PUBLISH THE FOLLOWING PARAGRAPH

Appropriations to be reduced should be named in the published notice; set out separately and not co-mingled with the additional appropriations being requested. The resolution/ordinance adopted by the governing body must separately list each appropriation.

3) _____

ADDITIONAL APPROPRIATION RESOLUTION/ORDINANCE

Whereas, it has been determined that it is now necessary to appropriate more money than was appropriated in the annual budget; now, therefore:

Sec.1.Be it ordained (resolved) by the _____
(Governing Body)
of _____, _____ County, that for the expenses of the
(Taxing Unit)
Library, the following additional sums of money are hereby appropriated out of the funds
named and for the purposes specified, subject to laws governing the same:

| | Amount Requested | Amount Approved |
|------------------------------|------------------|-----------------|
| Fund Name: | | |
| Major Budget Classification: | | |
| Personnel | \$ _____ | \$ _____ |
| Supplies | \$ _____ | \$ _____ |
| Other | \$ _____ | \$ _____ |
| Capital Outlays | \$ _____ | \$ _____ |
| TOTAL for _____ Fund: | \$ _____ | \$ _____ |
| (Repeat for any other funds) | | |

Adopted this _____ day of _____, 20____.

NAY

AYE

ATTEST:

Fiscal Officer

CERTIFIED COPY OF ADDITIONAL APPROPRIATION

County Name: _____

Unit Name: _____

Date of Publication _____

Newspaper _____

Date of Publication _____

Newspaper _____

Date of Public Hearing _____

Date of Resolution/Ordinance _____

For DLGF use only

County # _____

Unit # _____

Received

Order #

| | | | | |
|---|--|--|--|--|
| Fund Number | | | | |
| Fund Name | | | | |
| Appropriation Request | | | | |
| Amount by Reduction | | | | |
| Amount by Surplus | | | | |
| 1. Property Tax Levy (Line 16) | | | | |
| 2. Levy Excess (Line 15) | | | | |
| 3. PTRC from CAGIT (Line 13) | | | | |
| 4. Misc. Revenue (Line 8b) (If higher than 8b amount, a revised Budget Form 2 must be attached) | | | | |
| 5. January 1 Cash Balance, including any investments | | | | |
| 6. Total Funds (1 + 2 + 3 + 4 + 5) | | | | |
| 7. DLGF Approved Budget | | | | |
| 8. Encumbered Appropriations | | | | |
| 9. Beginning Appropriations (7 + 8) | | | | |
| 10. Surplus Funds (6 – 9) | | | | |
| 11. Amount additionally appropriated since January 1 st less any reductions in appropriations. | | | | |
| 12. Amount transferred to the Rainy Day Fund. | | | | |
| 13. Surplus Funds Remaining (10–11-12) | | | | |

I, _____, fiscal officer of _____ do hereby
(Print name) (Taxing unit name)

certify that the above information is true and correct.

Dated this _____ day of _____, 20____

(Signature)

(Title)

(Unit Address)

(Telephone Number)

(City / Towns / Zip Code)

(E-mail Address – Optional)

Summary

Chapter 8: Additional Appropriations



In this section, we have discussed the following:

- *Additional appropriations are published one time in two newspapers.*
- *The Department of Local Government Finance acts on additional appropriations supported by a property tax levy.*
- *A unit may appeal the decision of the Department of Local Government Finance by filing an appeal within fifteen (15) days.*